

June 19, 2013

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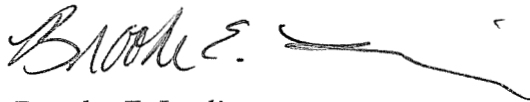
Mr. Jeff Derouen
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

RE: PSC Case No. 2013-00167

Dear Mr. Derouen,

Enclosed for docketing with the Commission are an original and ten (10) copies of Columbia Gas of Kentucky, Inc., Petition for Confidential Treatment. Should you have any questions about this filing, please contact me at 614-460-5558. Thank you.

Sincerely,



Brooke E. Leslie

Senior Counsel

Enclosures

Cc: Hon. Richard S. Taylor

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the matter of adjustment of rates of Co-)
lumbia Gas of Kentucky, Inc.) Case No. 2013-00167

**PETITION OF COLUMBIA GAS OF KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF DATA**

Columbia Gas of Kentucky, Inc., ("Columbia") petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001 § 13 and KRS 61.878(1)(a) to grant confidential protection indefinitely of certain information that would readily identify individual Columbia employees and make known each individual's compensation, which information Columbia is providing in response to Data Request No. 36 of the Commission Staff's First Request for Information dated May 2013, in the above captioned proceeding. Additionally, Columbia petitions the Commission pursuant to 807 KAR 5:001 § 13 and KRS 61.878 (1)(c) to grant confidential protection indefinitely to the information provided by Columbia in response to Data Request No. 34 of the Commission Staff's First Request for Information which asks for "all wage, compensation, and employee benefits studies, analyses, and surveys that Columbia has conducted, commissioned, or used." In support of this petition, Columbia states as follows:

1. The Kentucky Open Records Act exempts from disclosure certain private and personal information. KRS 61.878 (1)(a). The Kentucky Court of Appeals has stated, “information such as...wage rate...[is] generally accepted by society as [a] detail[] in which an individual has at least some expectation of privacy.” *Zink v. Department of Workers’ Claims, Labor Cabinet*, 902 S. W. 2d 825, 828 (Ky. Ct. App. 1994).
2. Therefore, Columbia respectfully requests confidential treatment of the information redacted from its response to Data Request 36 because disclosing the contents thereof – which includes each employee’s compensation and annual increase for three years- would invade the privacy rights of the individuals named. The employee’s salary information is personal and private information and should not be in the public realm.
3. The Kentucky Open Records Act also exempts from disclosure certain confidential or proprietary information. KRS 61.878(1)(c). To qualify for this exemption, and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the information would permit an unfair commercial advantage to competitors of the party seeking confidentiality.
4. The response to Data Request No. 34 consists of salary survey information that is the product of extensive time and money invested by NiSource, the parent company of Columbia, in order to develop compensation, benefit and salary increases for its

employees. The information contained in response to Data Request No. 34 consists of commercial information that is confidential and proprietary, the disclosure of which would unfairly advantage NiSource's and/or Columbia's competitors. If those competitors have access to the same information that NiSource expended substantial resources to develop, they will derive an unfair commercial advantage. In PSC Case No. 2010-00036, *In the matter of the Application of Kentucky-American Water Company for an Adjustment of Rates*, this Commission, by letter dated June 16, 2010, granted confidential treatment of similar information. Columbia respectfully requests that this same confidential treatment be granted in this proceeding.

5. Columbia requests that the information contained in Data Request Nos. 34 and 36 be held confidentially in perpetuity. Columbia cannot envision a period of time in which it would be appropriate for employees' private compensation information or Columbia's proprietary commercial information to be disclosed in the public realm.

6. In accordance with 807 KAR 5:001 § 13, Columbia filed, and provided to parties, redacted versions of the two responses and is willing to enter into protective agreements with parties to this case under which agreement Columbia will provide the parties with the confidential information. Attached to the original copy of this Petition, as Attachment A in a sealed envelope marked "confidential" is a copy of the

two responses with the confidential information identified by yellow highlighting on response 36. The entirety of the reports provided in response to 34 is confidential as denoted by the yellow paper on which it is printed. All other copies of this Petition include as Attachment A, the two responses with the confidential information obscured.

7. By granting this Petition and providing for confidential treatment of Columbia's responses to these two data requests, the Commission and the parties can fully evaluate Columbia's proposed application for an adjustment in rates, while maintaining the general confidentiality of such data, thereby balancing the public interest with the personal privacy concerns identified in KRS 61.878(1)(a).

WHEREFORE, Columbia respectfully requests that the Commission issue an order authorizing the confidential treatment of Columbia's responses to the two data requests in Attachment A hereto, pursuant to 807 KAR 5:001, Section 7, for the reasons stated herein.

Dated at Columbus, Ohio, this 19th day of June 2013.

Respectfully submitted,

COLUMBIA GAS OF KENTUCKY, INC

By: Stephen B. Seiple /per authority BSA

Stephen B. Seiple, Attorney of Record

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Attorneys for

COLUMBIA GAS OF KENTUCKY, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition For Confidential Treatment of Data was served by hand delivery on the following parties this 19th day of June 2013.

Stephen B Seiple / per authority BEL

Stephen B. Seiple

Attorney for

COLUMBIA GAS OF KENTUCKY, INC.

SERVICE LIST

Hon. Dennis G. Howard, II
Assistant Attorney General
1024 Capital Center Drive
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Managing Attorney
200 E. Main St.
Lexington, KY 40507
Attorney for Lexington-Fayette County Gov't.

ATTACHMENT A

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 22, 2013

36. Provide a schedule reflecting the salaries and other compensation of each executive officer for the base period and three most recent calendar years. Include the annual percentage increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive officer status since the test year in Columbia's most recent rate case, provide the salaries for the persons they replaced.

Response:

Please refer to Attachment A of the response. The primary responsibilities of each officer are as follows:

President – This position has primary responsibility for the overall management of Columbia including direct or indirect responsibility for all activities related to providing safe and reliable delivery of natural gas to retail customers within its service territory. The President represents Columbia in regulatory and legislative matters with state and local bodies; organizes and directs strategies and programs; and provides policy direction. Specific functions reporting to the President include Regulatory Affairs, Governmental Affairs, Communications, and Customer Programs.

Executive Vice President and Group Chief Executive Officer (CEO) – This position has primary responsibility for the overall management of the NiSource Gas Distribution business unit (NGD) including Columbia. The CEO provides leadership and direction for the business unit; is responsible for the safe and reliable delivery of natural gas to end users while ensuring excellent customer service; for achieving maximum return on invested capital; coordinates the efforts of senior executives and works with them to develop current and long range objectives, policies and procedures; and monitors overall results. Specific functions reporting to the CEO include Distribution Operations, Customer Operations, Commercial Operations, Regulatory, and Communications.

Group Chief Operating Officer (COO) - This position has primary responsibility for the overall management of the Distribution and Customer Operations functions of NGD including developing and formulating policies and procedures and directing operations and maintenance and capital program management. Specific functions reporting to the COO include Field Operations; Customer Operations; Pipeline Safety and Compliance; Engineering and Construction; Health, Safety and Environmental; and Business Planning.

Group Chief Regulatory Officer (CRO) – This position has primary responsibility for the overall management of the Regulatory function of NGD including preparing rate cases and other regulatory filings in its service territory, conducting research associated with regulatory activities, and maintaining relationships with regulators. Specific functions reporting to the CRO include operating company presidents including Columbia, Regulatory Affairs, Regulatory Strategy and Support, and Communications.

Group Chief Financial Officer – This position has primary responsibility for the overall Finance function of NGD including maintenance of the books and records and accounting systems, internal and external financial reporting, financial planning, and budgeting. Specific functions reporting to the CFO include General Accounting, Asset Accounting, Cash Management, Special Studies, Financial Systems, and Financial Planning and Analysis.

Group Chief Commercial Officer (CCO) - This position has primary responsibility for the overall strategies of several functions of NGD related to energy supply, gas transportation and sales and marketing. Specific functions reporting to the CCO include Supply and Capacity Planning, Transportation and Supplier Services, Gas Control, Supply Optimization, and Sales and Marketing.

Columbia Gas of Kentucky, Inc.
 Executive Officer Compensation

Employee	2010				2011				2012				Base Period			
	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp
Herbert Miller Title: President Reports to: Group Chief Regulatory Officer No. of Employees: 10																
Jimmy Staton Title: Exec VP & Group CEO Reports to: President & CEO No. of Employees: N/A Assumed additional group responsibilities in 2010 Transferred September 2011																
Joseph Hamrock Title: Exec VP & Group CEO Reports to: President & CEO No. of Employees: N/A Effective May 2012																
Shawn Patterson Title: SR VP & Sr Operations Officer Reports to: Exec VP and Group CEO No. of Employees: N/A Effective March 2010 Transferred March 2012																
David Monte Title: Group Chief Operating Officer Reports to: Exec VP and Group CEO No. of Employees: 2,937 Effective March 2012																

Columbia Gas of Kentucky, Inc.
 Executive Officer Compensation

Employee	2010				2011				2012				Base Period			
	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp
John Partridge																
Title: Group Chief Regulatory Officer																
Reports to:																
Exec VP and Group CEO																
No. of Employees: 148																
Effective January 2012																
Stanley Sagun																
Title: Group Chief Financial Officer/ Sr. VP and Chief Commercial Officer																
Reports to:																
Exec VP and Group CEO																
No. of Employees: 223																
Additional responsibilities of Sr. VP and CCO effective February 2012																
Notes:																
(1) The President is an employee of Columbia Gas of Kentucky; the remaining executive officers are employees of NiSource Corporate Services Company with responsibilities for several operating companies. This schedule reflects amounts allocated to Columbia Gas of Kentucky only.																
(2) Base Period wage increases by individual were not known at time the base period was developed.																

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 22, 2013

34. Provide all wage, compensation, and employee benefits studies, analyses, or surveys conducted since Columbia's last rate case or that are currently utilized by Columbia.

Response:

Please refer to Attachment PSC-1-34(A) [CONFIDENTIAL] for a copy of the January 2012 General Industry Benefit Index report and Attachment PSC-1-34(B) [CONFIDENTIAL] for a copy of the January 2012 Energy Industry Benefit Index that were completed by Aon Hewitt on behalf of NiSource. These studies were completed for all of NiSource to assess the overall value of employee benefits.

Please refer to Attachment PSC-1-34(C) [CONFIDENTIAL] for a copy of the 2012-2013 US Compensation Planning Report by Mercer Human Resource Consulting. Please also see Attachment PSC-1-34(D) [CONFIDENTIAL] for a copy of the Salary Budget Survey by World at Work. These surveys are used as a factor to determine appropriate market-based merit increase levels.

On a biennial basis, NiSource is provided information from Aon Hewitt establishing the applicable salary range for applicable jobs within NiSource, incorporating data from energy and non-energy sectors. This information is provided to NiSource through an application called "Market Pay." Using the Market Pay interface, NiSource downloads the applicable market salary ranges directly into the NiSource PeopleSoft system, which is the human resource information systems used to track employee compensation data. As a result, the records maintained within the PeopleSoft system for applicable jobs include a

specific, market based salary range, which is referenced in setting an employee's compensation from year to year.

Lastly, see PSC-1-34(E) [CONFIDENTIAL] for the Aon Hewitt Variable Compensation Measurement Survey: Highlights and Trends Report.

Attachment (A) to PSC Staff DR Set 1 No. 34

[CONFIDENTIAL]

January 2012 General Industry Benefit Index report

Attachment (B) to PSC Staff DR Set 1 No. 34

[CONFIDENTIAL]

January 2012 Energy Industry Benefit Index

Attachment (C) to PSC Staff DR Set 1 No. 34

[CONFIDENTIAL]

2012-2013 US Compensation Planning Report by Mercer Human Resource Consulting

Attachment (D) to PSC Staff DR Set 1 No. 34

[CONFIDENTIAL]

Salary Budget Survey by World at Work

Attachment (E) to PSC Staff DR Set 1 No. 34

[CONFIDENTIAL]

Aon Hewitt Variable Compensation Measurement Survey:
Highlights and Trends Report